



March 5, 2014

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430
Docket No. 2013-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2013, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

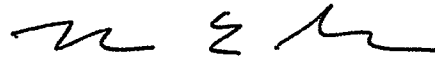
s/ Jenny Furr
Jenny Furr
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (via UPS overnight)
ORS – Tom Allen (via UPS overnight)
Courtney Dare Edwards
James H. Jeffries IV

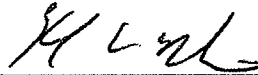
CERTIFICATION

I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

February 28, 2014
Date Signed



Karl W. Newlin
Senior Vice President and CFO

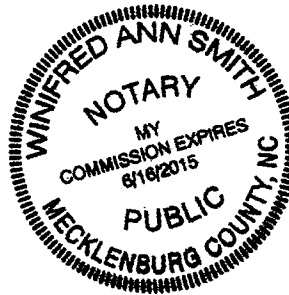
Feb. 28, 2014
Date Signed

Subscribed and Sworn to before me this
28th day of February, 2014.



Notary Public

My Commission Expires 6/16/2015.



Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2013
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 146,416,729	\$ 330,194	\$ 146,746,923
Other Operating Revenues	894,928	-	894,928
Total Operating Revenue	<u>\$ 147,311,657</u>	<u>\$ 330,194</u>	<u>\$ 147,641,851</u>
Operating Expenses			
Cost of Gas	\$ 76,931,665	\$ 1,858,749	\$ 78,790,414
Other Operation & Maintenance	26,705,879	(555,042)	26,150,837
Depreciation	11,250,466	956,401	12,206,867
General Taxes	5,874,148	(73,499)	5,800,649
State Income Taxes	1,398,021	(413,328)	984,693
Federal Income Taxes	7,001,368	(475,962)	6,525,406
Amort. of ITC	(27,411)	-	(27,411)
Total Operating Expenses	<u>\$ 129,134,134</u>	<u>\$ 1,297,320</u>	<u>\$ 130,431,454</u>
Net Operating Income	\$ 18,177,523	\$ (967,126)	\$ 17,210,397
Interest on Customer Deposits	(105,951)	-	(105,951)
Amortization of Debt Redemption Premium	-	-	-
AFDUC	417,212	-	417,212
Customer Growth	125,425	(6,673)	118,752
Net Operating Income For Return	<u>\$ 18,614,208</u>	<u>\$ (973,799)</u>	<u>\$ 17,640,409</u>
Original Cost Rate Base			
Plant in Service	\$ 450,606,092	\$ -	\$ 450,606,092
Accumulated Depreciation	(189,793,806)	-	(189,793,806)
Net Plant in Service	\$ 260,812,286	\$ -	\$ 260,812,286
Add:			
Construction Work in Progress	6,873,820	-	6,873,820
Materials and Supplies	10,648,776	-	10,648,776
Cash Working Capital	3,395,391	(69,380)	3,326,011
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,974,844	-	2,974,844
Accumulated Deferred Income Taxes	62,554,953	-	62,554,953
Unclaimed Funds	90,587	-	90,587
Total Original Cost Rate Base	<u>\$ 216,109,889</u>	<u>\$ (69,380)</u>	<u>\$ 216,040,509</u>
Return on rate base	<u>8.61%</u>		<u>8.17%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2013
South Carolina
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	* Agreed to Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,161,292,965	\$ -	\$ 1,161,292,965	47.86%	47.00%	\$ 101,539,039	5.23%	2.46%	\$ 5,310,492
2. Common Equity	1,265,347,618	-	1,265,347,618	52.14%	53.00%	114,501,470	10.77%	5.71%	12,329,918
3. Total	<u>\$ 2,426,640,583</u>	<u>\$ -</u>	<u>\$ 2,426,640,583</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 216,040,509</u>		<u>8.17%</u>	<u>\$ 17,640,409</u>

*Note: Based on Agreement, the Common Equity Ratio will not fall below 53% or go above 57% and the Long-Term Debt Ratio will not fall below 43% or go above 47%

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report* is being served this date via email and UPS Overnight upon:

Courtney Dare Edwards
Carey Stites
Tom Allen
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
cedwards@regstaff.sc.gov
cstites@regstaff.sc.gov
tallen@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report* is being served this date via email or U.S. Mail upon:

David Carpenter
Vice President
Planning and Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

and

Pia Powers
Director - Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 5th day of March, 2014.

s/ Scott M. Tyler
Scott M. Tyler